5/621/0031 cc: Lynn

BLM Cedar City Field Office Site Inspection Report

June 25, 2013

File: UTU-78619

Wah Wah Red Beryl Prospect

Jimmy Hodges

Inspector: Ed Ginouves, CCFO Mining Engineer

On June 24, 2013, I conducted what I hoped to be a final a reclamation inspection of Wah Wah Red Beryl Prospect. It was not.

Background: The site was authorized in 2001 as a bulk sampling notice of intent and included road upgrading and new road building, exploration trenching and small surface mining operations. Disturbances were limited to a maximum of two acres disturbance under the project bond of \$6,000. The principal mineral being sought is red beryl (bixbite), along with associated topaz, bixbyite, and specular hematite crystals.

The site was worked for several seasons and then fell into inactivity. The current project bond of \$6,000 was originally set and held by BLM, as it pre-dated the Division's bonding rules for exploration-level activity. Over the past two years, the Division has been trying to conform these older BLM-only bonded operations to their current bonding rules, which would requirement an increase in the bond. Mr. Hodges, the operator, has resisted these requests from the Division, and early in 2011, Mr. Hodges decided to discontinue the permit and reclaim the site. On March 17, 2011, I had a lengthy telephone conversation with Mr. Hodges on the reclamation measures required to gain bond release. Mr. Hodges had agreed to perform these measures before the

winter of 2011 and in a telephone conversation I had with him on Sept. 6, 2011, had told me the measures had largely been carried out. My subsequent inspection on October 21, 2011 showed the work was not adequate for release and I have been working with Mr. Hodges since that time to complete the work. I had called Mr. Hodges on May 30, 2013 and left him a message that I wanted to discuss the reclamation measures still necessary to obtain bond release; Mr. Hodges informed me by telephone several days later that he had carried out the work and was requesting bond release.

The previous inspection was conducted on Oct. 21, 2011. The weather was high overcast, windy and mild. The project area was dry.

Information on site location and access is provided in the pre-disturbance inspection report dated April 23, 2001.

Inspection Findings: Once again, I was disappointed to find that adequate efforts to block and reclaim the ∼ one mile of new access had not been carried out. Mr. Hodges had chain-sawed several large pinyon pine trees at the beginning of a secondary trail branching off the Sawmill Gulch trail roughly two road miles from the prospect site and roughly one mile from the beginning of the new access created under the notice. Heft the vehicle at this point and hiked in. I had only gone 200 feet when I discovered that someone had already pioneered a bypass route around the blocked road, negating any value of the downed trees. Roughly a ½ mile further along this existing (pre-notice) road, I found a 1000 lb boulder lying in the center of the existing trail, but again, someone had already negated its blocking value by pioneering a trail around it. I continued along the existing road and then onto the newly constructed trail section. I found that the metal gate had been removed, but no other efforts of consequence had been made to render the ∼ 1 mile of new trail section undriveable. In fact, those responsible for subverting the two blocking obstacles on the existing trail section had demonstrated this by driving a full-sized vehicle to within a 100 yards or so of the prospect..

I cannot recommend bond release. The prospect itself is not an issue. While no earthwork reclamation was ever carried out on the prospect, none is felt necessary as nothing can really be gained by doing so. The prospect cut area is a small fraction of an acre and the disturbed material is already well established with desirable species and blends well with the surrounding natural rock outcroppings. It is the ~ 1 mile long constructed access trail to the prospect that needs additional work. While natural re-vegetation of the constructed road section is well advanced, the entire road section is still accessible to full-sized vehicle travel. The fact that someone has utilized the full length of the road so quickly after it was "blocked" clearly evidences the need to render the section of the site access created under the notice (~ one mile of new road) entirely impassable. To adequately reclaim the newly constructed road section, it will be necessary to bring a backhoe to the site and starting at a point roughly 100-200 yards east of the prospect, doing the following:

- dragging every dead and down tree immediately adjacent to the constructed trail back onto the trail surface
- dragging every surficial boulder immediately adjacent to the trail surface back onto the trail surface
- cratering/deeply pocking the constructed trail surface wherever it was built on soil and weathered rock thicker than 1'.
- Replacing the rock excavated at the former location of the metal gate in the cut section.

Photographs were obtained and are attached.

Follow-up: Telephone the operator any convey the news. No ifs, ands, or buts.

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View of eastern side of the prospect area, looking south. While no earthwork reclamation was ever carried out on the prospect, none is felt necessary as nothing can really be gained by doing so. The prospect cut area is a small fraction of an acre and the disturbed material is already well established with desirable species and blends well with the surrounding natural rock outcroppings.

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View of western side of the prospect area, looking southeasterly. While no earthwork reclamation was ever carried out on the prospect, none is felt necessary as nothing can really be gained by doing so. The prospect cut area is a small fraction of an acre and the disturbed material is already well established with desirable species and blends well with the surrounding natural rock outcroppings.

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View of the final 100 yards of the constructed access to the prospect. Little can be done on this final 100 yard section as it is mostly on bedrock and is so steep and angled that only a jeep or a ATV can traverse it.

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Typical appearance of section of the middle of the constructed access to the prospect. Still passable to full-sized 4-wheel drive vehicle. Notice fresh tire tracks in foreground.

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Typical appearance yet another section of the middle of the constructed access to the prospect. Still passable to full-sized 4-wheel drive vehicle. Notice fresh tire tracks in foreground.

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Location of former metal gate, now removed. This section is critical to block. Replacing excavated rock from the cut back into the cut would be effective as there are no opportunities to create a (full-sized vehicle) bypass around this section.

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Typically appearance of initial section of the constructed access to the prospect. Still passable to full-sized 4-wheel drive vehicle. Notice fresh tire tracks in foreground.

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Large boulder rolled into the road bed by the operator on a section of the one mile of existing trail to the site. Within two weeks of its placement, the obstacle had been bypassed.

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Toppled trees roughly two miles from the prospect at the beginning of an existing (prenotice) trail off the Sawmill Gulch trail. Within two weeks of this obstacle being created, a by-pass trail had already been created around it.

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October 21, 2011

View of prospect area looking south. Note bunchgrasses and Indian ricegrass on soil material in excavation. Little can be done at this point to improve what nature has done here over the past 6 years the site has been inactive. It is best left alone.